

REMARKS:

Claims 1-92, 95, and 96 are currently pending in the application.

Claim 96 stands objected to as allegedly being a substantial duplicate to Claim 95.

Claims 1, 2, 5-7, 11, 15, 16, 19-21, 25, 29-32, 35-37, 41, 42, 45, 46, 49-51, 55, 56, 63, 64, 67-69, 73, 74, 78, 79, 82-84, 88, 89, and 91 stand rejected under 35 U.S.C. § 103(a) over Patent No. EP 0070967 to Schmidt et al. ("*Schmidt*") in view of U.S. Patent No. 5,754,938 to Herz et al. ("*Herz*") and in further view of Dr. Pattie Maes et al., "AGENTS THAT BUY AND SELL", Communications of the ACM, March 1999, Vol. 42, No. 3 ("*Maes*").

Claims 3, 4, 8-10, 12-14, 17, 18, 22-24, 26-28, 33, 34, 38-40, 43, 44, 47, 48, 52-54, 57-62, 65, 66, 70-72, 75-77, 80, 81, 85-87, 90, 92, 95, and 96 stand rejected under 35 U.S.C. § 103(a) over *Schmidt* in view of *Herz* in further view of *Maes* and in further view of U.S. Patent No. 5,970,479 to Shepherd et al. ("*Shepherd*").

CLAIM OBJECTIONS:

Claim 96 stands objected to as allegedly being a substantial duplicate to Claim 95.

The Examiner specifically states that "Claim 96 [is] objected to under 37 C.F.R. § 1.75 as [allegedly] being a substantial duplicate of Claim 95." (29 June 2006 Final Office Action, Page 2). The Applicant respectfully disagrees.

The Applicants do not understand why the Examiner believes Claims 96 and 95 are thought to be a substantial duplicate and respectfully requests further explanation from the Examiner. The Examiner may call the undersigned, Steven J. Laureanti, at (817) 447-9955 if the Examiner believes that it would be easier to discuss the source of confusion over the phone. The Applicants respectfully direct the Examiner's attention to the pertinent part of the Examiner's cited MPEP cite:

Inasmuch as a patent is supposed to be limited to only one invention or, at most, several closely related indivisible inventions, limiting an application to a single claim, or a single claim to each of the related inventions might appear to be logical as well as convenient. However, ***court decisions have confirmed applicant's right to restate*** (i.e., by plural claiming) ***the invention in a reasonable number of ways. Indeed, a mere difference in scope between claims has been held to be enough.*** (MPEP § 706.03(k) (Emphasis Added).

The Applicants respectfully traverse the Examiner's Objection to Claim 96 as being a substantial duplicate of Claim 95. In addition, the Applicants respectfully submit that Claims 96 and 95 are considered to be in full compliance with the requirements of 37 C.F.R. § 1.75. Thus, the Applicants respectfully request that the objection of Claim 96 under 37 C.F.R. § 1.75 be reconsidered and that Claim 96 be allowed.

REJECTION UNDER 35 U.S.C. § 103(a):

Claims 1, 2, 5-7, 11, 15, 16, 19-21, 25, 29-32, 35-37, 41, 42, 45, 46, 49-51, 55, 56, 63, 64, 67-69, 73, 74, 78, 79, 82-84, 88, 89, and 91 stand rejected under 35 U.S.C. § 103(a) over *Schmidt* in view of *Herz* and in further view of *Maes*. Claims 3, 4, 8-10, 12-14, 17, 18, 22-24, 26-28, 33, 34, 38-40, 43, 44, 47, 48, 52-54, 57-62, 65, 66, 70-72, 75-77, 80, 81, 85-87, 90, 92, 95, and 96 stand rejected under 35 U.S.C. § 103(a) over *Schmidt* in view of *Herz* in further view of *Maes* and in further view of *Shepherd*.

The Applicants respectfully maintain that *Schmidt*, *Herz*, or *Maes* either individually or in combination, fail to disclose, teach, or suggest each and every element of Claims 1, 2, 5-7, 11, 15, 16, 19-21, 25, 29-32, 35-37, 41, 42, 45, 46, 49-51, 55, 56, 63, 64, 67-69, 73, 74, 78, 79, 82-84, 88, 89, and 91. Thus, the Applicants respectfully traverse the Examiner's obvious rejection of Claims 1-92, 95, and 96 under 35 U.S.C. § 103(a) over the proposed combination of *Schmidt*, *Herz*, or *Maes*, either individually or in combination.

The Proposed *Schmidt-Herz-Maes* Combination Fails to Disclose, Teach, or Suggest Various Limitations Recited in Applicants Claims

For example, with respect to independent Claim 29, this claim recites:

A procurement manager for supply chain activity optimization involving multiple enterprises, comprising:

a negotiation module operable to:

receive a forecasted demand for at least one item;

automatically and without user input subsequent to receiving the forecasted demand, generate one or more proposed flexible trade contracts using the forecasted demand for the item;

automatically and without user input subsequent to generating the proposed flexible trade contracts, communicate each proposed flexible trade contract to a seller computer system to initiate an automatic collaborative negotiation over the proposed flexible trade contract with the seller computer system;

automatically and without user input subsequent to communicating the proposed flexible trade contract, as part of the automatic collaborative negotiation, receive at least one modification of the proposed flexible trade contract from the seller computer system for automatic evaluation and possible acceptance in response to communicating the proposed flexible trade contract;

automatically and without user input subsequent to receiving the modification of the proposed flexible trade contract from the seller computer system, as part of the automatic collaborative negotiation, evaluate the modification to determine whether the modification is acceptable; and

automatically and without user input subsequent to evaluating the modification of the proposed flexible trade contract, as part of the automatic collaborative negotiation, accept the modification if the modification is acceptable;

an execution module operable to execute a flexible trade contract created based on the proposed flexible trade contract as a result of the automatic collaborative negotiation to enable one or more actions to be taken to perform under the executed flexible trade contract; and

a tracking module operable to monitor the terms of the flexible trade contract created based on the proposed flexible trade contract as a result of the automatic collaborative negotiation ***to enable one or more actions to be taken to enforce the executed flexible trade contract.*** (Emphasis Added).

Independent Claims 1, 15, 45, 63, and 78 recite similar limitations. *Schmidt, Herz, and Maes*, either individually or in combination, fail to disclose each and every limitation of independent Claims 1, 15, 29, 45, 63, and 78.

The Applicants respectfully maintain that *Schmidt, Herz, and Maes*, either individually or in combination, have nothing to do with the Applicants claim limitations

regarding a method or software for **supply chain activity optimization involving multiple enterprises at a buyer/seller computer system** and in particular *Schmidt* has nothing to do with the Applicants claim limitations regarding a **procurement or supply manager for supply chain activity optimization involving multiple enterprises**. The Applicants further respectfully maintain that *Schmidt*, *Herz*, and *Maes*, either individually or in combination, fail to teach, suggest or even hint at a “**negotiation module**” or an “**execution module**”, as recited in Applicants claims.

In addition, the Applicants respectfully submit that *Schmidt*, *Herz*, and *Maes*, either individually or in combination, have nothing to do with *inter alia* independent Claim 29 limitations regarding a “**tracking module operable to monitor the terms of the flexible trade contract** created based on the proposed flexible trade contract as a result of the automatic collaborative negotiation **to enable one or more actions to be taken to enforce the executed flexible trade contract**”. In particular, the Examiner equates the “**tracking module**” recited in independent Claim 29 with “**forecasts**” disclosed in *Schmidt*. (29 May 2006 Final Office Action, Page 3). However, the “**forecasts**” disclosed in *Schmidt* **merely provides a forward looking process, and do not include or are not even related to monitoring the terms or even enforcing a contract**. (Column 3, Lines 47-53). In contrast, the “**tracking module**” recited in independent Claim 29 is operable to “**monitor the terms of the flexible trade contract**” and “**enable one or more actions to be taken to enforce the executed flexible trade contract**”.

In addition, the Applicants respectfully direct the Examiner’s attention to the cited text of *Schmidt* that the Examiner relies upon, which states:

It is an object of the present invention to **allow the manufacturer or vendor to plan the supply of goods and services for a customer that integrates all information about a product**, including current, past and projected future sales and inventory, into a feasible replenishment plan.

It is a further object of the present invention to provide a planning process that reconciles top down and bottom up projections.

It is an object of the present invention to provide expert based models that **allow forecasts from various view points** including a bottom up view point. (Page 3, Lines 47-53). (Emphasis Added).

The Applicants respectfully submit that the Examiner has misdescribed the “**forecasts**” disclosed in *Schmidt*. The above-cited text of *Schmidt* merely describes a process to “**allow forecasts from various view points**”. This process in *Schmidt* only allows a forecast, including a bottom up view point, and has nothing to do with tracking, let alone enforcing flexible trade contracts. In addition, the Examiner asserts that the cited text of *Schmidt* “allow... vendor to plan...” somehow applies to the subject Application. However, the above-cited text of *Schmidt* merely describes a process to “**allow the manufacturer or vendor to plan the supply of goods and services for a customer that integrates all information about a product**”. This process in *Schmidt* only allows the “**manufacturer or vendor**” to “**plan the supply of goods and services**” and has nothing to do with tracking, let alone enforcing flexible trade contracts.

The Applicants further respectfully submit that *Schmidt* cannot provide for a “**tracking module operable to monitor the terms of the flexible trade contract**” or even “**enable[ing] one or more actions to be taken to enforce the executed flexible trade contract**”, since *Schmidt* does not even provide for any tracking of the “**flexible trade contract[s]**” or even any enforcing of the “**executed flexible trade contract[s]**”, in the first place. Thus, the Applicants respectfully submit that the equations forming the foundation of the Examiner’s comparison between *Schmidt*, *Herz*, and *Maes* and independent Claim 29 cannot be made. The Applicants further respectfully submit that these distinctions alone are sufficient to patentably distinguish independent Claim 29 from *Schmidt*, *Herz*, and *Maes*.

The Office Action has Failed to Properly Establish a *Prima Facie* case of Obvious over the Proposed *Schmidt-Herz-Maes* Combination

The Applicants respectfully submit that the Office Action has failed to properly establish a *prima facie* case of obviousness based on the proposed combination of *Schmidt*, *Herz*, and *Maes*, either individually or in combination. The Office Action has not shown the required teaching, suggestion, or motivation in these references or in knowledge generally available to those of ordinary skill in the art at the time of the invention to combine these references as proposed. The Office Action merely states that

“it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow sellers computer and the buyer computer in *Schmidt* to automatically and without user input negotiate the contract, which would also include any updated versions.” (29 May 2006 Final Office Action, Page 4). The Applicants respectfully disagree.

The Applicants further submit that this purported advantage relied on by the Examiner is nowhere disclosed, taught, or suggested in *Schmidt*, *Herz*, and *Maes*, either individually or in combination. The Examiner asserts that “one would have been motivated to including the automatic negotiation of the contracts between the seller computer and the buyer computer in order to reduce the cost of the procurement units as well as to reduce the time needed to obtain the items.” (29 May 2006 Final Office Action, Page 4). The Applicants respectfully disagree. ***The Applicants respectfully request the examiner to point to the portions of Schmidt, Herz, and Maes which contain the teaching, suggestion, or motivation to combine these references for the Examiner’s stated purported advantage.*** The Applicants further submits that the Examiner is using the subject Application as a template to formulate reconstructive hindsight, which constitutes impermissible use of hindsight under 35 U.S.C. § 103(a).

A recent Federal Circuit case makes it crystal clear that, in an obviousness situation, the ***prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art.*** *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). (Emphasis Added). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35. With respect to the subject Application, ***the Examiner has not adequately supported the selection and combination of Schmidt, Herz, and Maes to render obvious the Applicants claimed invention.*** The Examiner's conclusory statement that “it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow sellers computer and the buyer computer in *Schmidt* to automatically and without user input negotiate the contract, which would also include any updated versions” and that “one would have been motivated to including the automatic negotiation of the contracts between the seller

computer and the buyer computer in order to reduce the cost of the procurement units as well as to reduce the time needed to obtain the items", **does not adequately address the issue of motivation to combine**. (29 May 2006 Final Office Action, Page 4). This factual question of motivation is material to patentability, and cannot be resolved on subjective belief and unknown authority. *Id.* It is improper, in determining whether a person of ordinary skill would have been led to this combination of references, simply to "[use] that which the inventor taught against its teacher." *W.L. Gore v. Garlock, Inc.*, 721 F.2d 1540 (Fed. Cir. 1983). Thus, **the Office Action fails to provide proper motivation for combining the teachings of Schmidt, Herz, and Maes**, either individually or in combination.

The Proposed Schmidt-Herz-Maes-Shepherd Combination Fails to Disclose, Teach, or Suggest Various Limitations Recited in Applicants Claims

The Applicants respectfully maintain that *Schmidt, Herz, Maes, or Shepherd* either individually or in combination, fail to disclose, teach, or suggest each and every element of Claims 3, 4, 8-10, 12-14, 17, 18, 22-24, 26-28, 33, 34, 38-40, 43, 44, 47, 48, 52-54, 57-62, 65, 66, 70-72, 75-77, 80, 81, 85-87, 90, 92, 95 and 96. The Applicants further maintain that independent Claims 95 and 96 contain unique and novel limitations that are not disclosed, suggested, or even hinted at in *Schmidt, Herz, Maes, or Shepherd*. Thus, the Applicants respectfully traverse the Examiner's obvious rejection of Claims 1-92, 95, and 96 under 35 U.S.C. § 103(a) over the proposed combination of *Schmidt, Herz, Maes, or Shepherd*, either individually or in combination.

For example, with respect to independent Claim 95, this claim recites:

A system for supply chain activity optimization involving multiple enterprises, the system operable to:

generate, at a buyer computer system, one or more proposed flexible trade contracts for at least one item using a forecasted demand received from a seller computer system and communicate the proposed flexible trade contract to the seller computer system to initiate an automatic collaborative negotiation;

receive the proposed flexible trade contract at the seller computer system and evaluate the proposed flexible trade contract to determine whether the proposed flexible trade contract is acceptable;

automatically subsequent to evaluating the proposed flexible trade contract at the seller computer system, as part of the automatic collaborative negotiation:

if the proposed flexible trade contract is acceptable, accept the proposed flexible trade contract; and

if the proposed flexible trade contract is not acceptable, generate at least one modification of the proposed flexible trade contract and communicate the at least one modification to the buyer computer system;

receive the at least one modification of the proposed flexible trade contract at the buyer computer system and evaluate the at least one modification to determine whether the modification is acceptable:

if the at least one modification of the proposed flexible trade contract is acceptable, accept the modified proposed flexible trade contract; and

if the at least one modification of the proposed flexible trade contract is not acceptable, communicate with the seller computer system in a series of rounds in which the buyer computer system and the seller computer system successively propose one or more further counter-modifications of the proposed flexible trade contract for automatic evaluation and possible acceptance to create a flexible trade contract based on the proposed flexible trade contract;

subsequent to execution of a flexible trade contract created based on the proposed flexible trade contract as a result of the automatic collaborative negotiation, taking one or more actions to perform under the executed flexible trade contract; and

subsequent to execution of the flexible trade contract created based on the proposed flexible trade contract as a result of the automatic collaborative negotiation, **taking one or more actions to enforce the executed flexible trade contract.** (Emphasis Added).

Independent Claim 96 recites similar limitations. *Schmidt, Herz, Maes, or Shepherd* either individually or in combination, fail to disclose each and every limitation of independent Claims 95 and 96.

The Applicants respectfully maintain that *Schmidt, Herz, Maes, or Shepherd* have nothing to do with independent Claim 95 limitations regarding a “**system for supply chain activity optimization involving multiple enterprises**” and in particular *Schmidt, Herz, Maes, or Shepherd* have nothing to do with independent Claim 95 limitations regarding “subsequent to execution of the flexible trade contract created based on the proposed

flexible trade contract as a result of the automatic collaborative negotiation, ***taking one or more actions to enforce the executed flexible trade contract.***"

The Applicants further respectfully submit that the finality of the present Office Action mailed 29 June 2006 is premature. In response to an Office Action dated 27 January 2006, the Applicants submitted a Response. In this Response, the Applicants added new independent Claims 95 and 96 in order to more particularly point out and distinctly claim the Applicants invention. The Applicants respectfully submit that these new independent Claims 95 and 96 have not been properly addressed in the present Office Action. Although the Examiner acknowledges the addition of new Claims 95 and 96, the Office Action fails to cite any specific portion of *Schmidt, Herz, Maes*, or *Shepherd* as a basis of the rejection of these claims. Therefore, the Applicants respectfully request reconsideration of the finality of the rejection of the present Office Action mailed 29 June 2006 and that the finality of the present Office Action be withdrawn. (see MPEP § 706.07(c), (d), and (e)).

The Office Action has Failed to Properly Establish a *Prima Facie* case of Obvious over the Proposed *Schmidt-Herz-Maes-Shepherd* Combination

The Applicants respectfully submit that the Office Action has failed to properly establish a *prima facie* case of obviousness based on the proposed combination of *Schmidt, Herz, Maes*, and *Shepherd*, either individually or in combination. The Office Action has not shown the required teaching, suggestion, or motivation in these references or in knowledge generally available to those of ordinary skill in the art at the time of the invention to combine these references as proposed. The Office Action merely states that ***"it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such a step in the Schmidt, Herz, Maes, and Shepherd method."*** (29 June 2006 Office Action, Pages 11-15). The Applicants respectfully disagree.

The Applicants further respectfully submit that this purported advantage relied on by the Examiner is nowhere disclosed, taught, or suggested in *Schmidt, Herz, Maes*, and *Shepherd*, either individually or in combination. The Examiner asserts that ***"one would***

have been motivated to use such a step in order to minimize the risk.” (29 June 2006 Office Action, Pages 11-15). The Applicants respectfully disagree. ***The Applicants respectfully request the examiner to point to the portions of Schmidt, Herz, Maes, and Shepherd which contain the teaching, suggestion, or motivation to combine these references for the Examiner’s stated purported advantage.*** The Applicants further submit that the Examiner is using the subject Application as a template to formulate reconstructive hindsight, which constitutes impermissible use of hindsight under 35 U.S.C. § 103(a).

A recent Federal Circuit case makes it crystal clear that, in an obviousness situation, the ***prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art.*** *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). (Emphasis Added). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35. With respect to the subject Application, ***the Examiner has not adequately supported the selection and combination of Schmidt, Herz, Maes, Shepherd to render obvious the Applicants claimed invention.*** The Examiner’s conclusory statement that “***it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such a step in the Schmidt, Herz, Maes, and Shepherd method***” and that “***one would have been motivated to use such a step in order to minimize the risk***”, ***does not adequately address the issue of motivation to combine.*** (29 June 2006 Office Action, Pages 11-15). This factual question of motivation is material to patentability, and cannot be resolved on subjective belief and unknown authority. *Id.* It is improper, in determining whether a person of ordinary skill would have been led to this combination of references, simply to “[use] that which the inventor taught against its teacher.” *W.L. Gore v. Garlock, Inc.*, 721 F.2d 1540 (Fed. Cir. 1983). Thus, ***the Office Action fails to provide proper motivation for combining the teachings of Schmidt, Herz, Maes, and Shepherd***, either individually or in combination.

The Applicants Claims are Patentable over the Proposed *Schmidt-Herz-Maes-Shepherd* Combination

Independent Claims 29 and 95, are considered patentably distinguishable over the proposed combination of *Schmidt, Herz, Maes, and Shepherd* for at least the reasons discussed above. With respect to independent Claims 1, 15, 45, 63, 78, and 96 each of these claims includes limitations similar to those discussed above in connection with independent Claims 29 and 95. Thus, independent Claims 1, 15, 45, 63, 78, and 96 are considered patentably distinguishable over the proposed combination of *Schmidt, Herz, Maes, and Shepherd* for at least the reasons discussed above in connection with independent Claims 29 and 95.

With respect to dependent Claims 2, 5-7, 11, 16, 19-21, 25, 30-32, 35-37, 41, 42, 46, 49-51, 55, 56, 64, 67-69, 73, 74, 79, 82-84, 88, 89, and 91: Claims 2, 5-7, and 11 depend from independent Claim 1; Claims 16, 19-21, and 25 depend from independent Claim 15; Claims 30-32, 35-37, 41, and 42 depend from independent Claim 29; Claims 46, 49-51, 55, and 56 depend from independent Claim 45; Claims 64, 67-69, 73, and 74 depend from independent Claim 63; and Claims 79, 82-84, 88, 89, and 91 depend from independent Claim 78. As mentioned above, each of independent Claims 1, 15, 29, 45, 63, and 78 are considered patentably distinguishable over the proposed combination of *Schmidt, Herz, Maes, and Shepherd*. Thus, dependent Claims 2, 5-7, 11, 15, 16, 19-21, 25, 29-32, 35-37, 41, 42, 45, 46, 49-51, 55, 56, 63, 64, 67-69, 73, 74, 78, 79, 82-84, 88, 89, and 91 are considered to be in condition for allowance for at least the reason of depending from an allowable claim.

With respect to dependent Claims 3, 4, 8-10, 12-14, 17, 18, 22-24, 26-28, 33, 34, 38-40, 43, 44, 47, 48, 52-54, 57-62, 65, 66, 70-72, 75-77, 80, 81, 85-87, 90, and 92: Claims 3, 4, 8-10, 12-14, and 60 depend from independent Claim 1; Claims 17, 18, 22-24, 26-28, and 60 depend from independent Claim 15; Claims 33, 34, 38-40, 43, 44, and 61 depend from independent Claim 29; Claims 47, 48, 52-54, 57, 58, and 62 depend from independent Claim 45; Claims 65, 66, 70-72, and 75-77 depend from independent Claim 63; and Claims 80, 81, 85-87, 90, and 92 depend from independent Claim 78. As mentioned above, each of independent Claims 1, 15, 29, 45, 63, 78, 93, and 94 are

considered patentably distinguishable over the proposed combination of *Schmidt, Herz, Maes* and *Shepherd*. Thus, dependent Claims 3, 4, 8-10, 12-14, 17, 18, 22-24, 26-28, 33, 34, 38-40, 43, 44, 47, 48, 52-54, 57-62, 65, 66, 70-72, 75-77, 80, 81, 85-87, 90, and 92 are considered to be in condition for allowance for at least the reason of depending from an allowable claim.

For at least the reasons set forth herein, the Applicants respectfully submit that Claims 1-92, 95, and 96 are not rendered obvious by the proposed combination of *Schmidt, Herz, Maes*, and *Shepherd*. The Applicants further respectfully submit that Claims 1-92, 95, and 96 are in condition for allowance. Thus, the Applicants respectfully request that the rejection of Claims 1-92, 95, and 96 under 35 U.S.C. § 103(a) be reconsidered and that Claims 1-92, 95, and 96 be allowed.

THE LEGAL STANDARD FOR OBVIOUSNESS REJECTIONS UNDER 35 U.S.C. § 103:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, ***there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings.*** Second, there must be a reasonable expectation of success. Finally, ***the prior art reference*** (or references when combined) ***must teach or suggest all the claim limitations.*** The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, ***and not based on applicant's disclosure.*** *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); M.P.E.P. § 2142. Moreover, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 U.S.P.Q. 580 (CCPA 1974). If an independent claim is nonobvious under 35 U.S.C. § 103, then any claim depending therefrom is nonobvious. *In re Fine*, 837 F.2d 1071, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988); M.P.E.P. § 2143.03.

With respect to alleged obviousness, ***there must be something in the prior art as a whole to suggest the desirability***, and thus the obviousness, of making the combination. *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561 (Fed. Cir. 1986). In fact,

the absence of a suggestion to combine is dispositive in an obviousness determination. *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573 (Fed. Cir. 1997). The mere fact that the prior art can be combined or modified does not make the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680, 16 U.S.P.Q.2d 1430 (Fed. Cir. 1990); M.P.E.P. § 2143.01. The consistent criterion for determining obviousness is whether the prior art would have suggested to one of ordinary skill in the art that the process should be carried out and would have a reasonable likelihood of success, viewed in the light of the prior art. Both the suggestion and the expectation of success must be founded in the prior art, not in the Applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); *In re O'Farrell*, 853 F.2d 894 (Fed. Cir. 1988); M.P.E.P. § 2142.

A recent Federal Circuit case makes it clear that, in an obviousness situation, the prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art. *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35.

CONCLUSION:


In view of the foregoing remarks, this application is considered to be in condition for allowance, and early reconsideration and a Notice of Allowance are earnestly solicited.

Although the Applicants believe no fees are deemed to be necessary; the undersigned hereby authorizes the Director to charge any additional fees which may be required, or credit any overpayments, to **Deposit Account No. 500777**.

Please link this application to Customer No. 53184 so that its status may be checked via the PAIR System.

Respectfully submitted,

8/28/06
Date


James E. Walton, Registration No. 47,245
Steven J. Laureanti, Registration No. 50,274
Daren C. Davis, Registration No. 38,425
Michael Alford, Registration No. 48,707
Law Offices of James E. Walton, P.L.L.C.
1169 N. Burleson Blvd., Suite 107-328
Burleson, Texas 76028
(817) 447-9955 (voice)
(817) 447-9954 (facsimile)
steven@waltonpllc.com (e-mail)

CUSTOMER NO. 53184

ATTORNEYS AND AGENTS FOR APPLICANTS